



December 4, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission (FCC)
445 12th Street, SW, Room TW – B204
Washington, DC 20554

Re: Rural Health Care Program, Docket 02- 60

Dear Secretary Dortch:

Healthland strongly and enthusiastically supports the FCC's Rural Health Care Pilot program and urges that the Pilot's 85 percent subsidy level is continued in the transition to a permanent program.

For over 30 years, Healthland has provided healthcare IT solutions designed exclusively for rural community and Critical Access Hospitals. With more than 500 clients in 44 states, we have an intimate, first-hand view of the challenges facing rural healthcare providers. Our inpatient Electronic Health Record (EHR) and ambulatory EHR are certified for the U.S. Department of Health and Human Services' Meaningful Use EHR incentive program, and we're proud that our clients constitute over half of the nation's Critical Access Hospitals that have already achieved Meaningful Use.

Healthland hopes that the FCC will recognize what we see in rural America every day: small rural hospitals typically operate on a very narrow margin and often operate at a loss. With the proliferation of regulatory requirements for sharing information across the continuum of care, expanding access to broadband services and infrastructure is absolutely essential to the independence and sustainability of rural healthcare providers and the communities they serve.

As the nation increasingly moves toward the adoption of EHRs, there is a growing digital divide between rural health care providers and their urban counterparts. For example, in order to benefit from the \$20 billion federal "meaningful use" EHR incentive program, rural providers need access to sufficient broadband services.

The FCC's Rural Health Care Program is absolutely essential to expanding access to broadband services in rural areas, which in turn will maximize the ability of rural health care providers to benefit from the meaningful use program and ensure that all Americans – regardless of whether they live in rural or urban areas – are able to benefit from a broadband connected health care system. Indeed, the entire nation will not be able fully benefit from the interoperable electronic health records that are essential to the delivery of highly coordinated, accountable and cost – effective health care if rural America is left behind.

If rural providers lack sufficient broadband access, then these rural facilities will be unable to fully participate in health information exchange or to provide patients with on-line access to their personal health information and other materials, such as health education resources. The use of on-line tools is becoming a routine part of health care – and an increasingly important aspect of the meaningful use program – and rural Americans will be unable to fully benefit from these advances if their healthcare providers are unable to deploy them because of insufficient or overly expensive broadband. In addition, both



payers and policymakers are increasingly recognizing the benefits of telemedicine, which can enable rural Americans to access the benefits of remote expertise all the while staying close to home.

As the market leader, Healthland takes an active role in advocating for and educating its clients in an era of daunting change. Already operating on thin or negative margins, these providers now face the challenge of increased regulatory compliance burdens (Meaningful Use Stages 1 – 3, Health Information Exchanges, ICD – 10¹) and face the threat of devastating cuts in funding now under discussion on Capitol Hill. Research has shown that the pending sequestration cuts and other proposed Medicare funding reductions could force hundreds of small rural hospitals with a status called "Critical Access Hospital" – as well as other rural providers – to close their doors.

Access to capital has been and continues to be a significant impediment for small rural hospitals as they seek to acquire broadband access and purchase and implement electronic health records systems. This lack of capital is increasing the digital divide, which if not addressed by efforts such as the FCC's Rural Healthcare Program, will prevent a truly interoperable national healthcare delivery system.

Healthland urges that the FCC maintain the current subsidy level as the Rural Healthcare Pilot Program transitions to a permanent program. Access to reliable broadband is a crucial component to the successful transition to a modern healthcare delivery system and, because of the many financial and other challenges facing rural providers, a material reduction in the subsidy could be devastating for these cash-strapped providers.

Please do not hesitate to contact me if you would like to know more about Healthland and its indepth knowledge of the rural health care market. I can be reached at 612.594.3464 or at rusty.hensley@healthland.com.

Sincerely,

B. Russell Hensley
*Vice-President Legal and
Government Affairs*
Healthland

Cc: Angela M. Franks, President and CEO (via email)
Karen Sealander, Washington Counsel at McDermott Will & Emery (via email)

¹ ICD – 10 is the International Classification of Diseases, Tenth Revision. ICD – 10 will replace ICD – 9 as the diagnoses code set used to report diagnoses in all clinical settings as of October 1, 2014. ICD – 10 increases code specificity and is intended to provide greater coding accuracy, higher quality information for measuring healthcare service quality, safety and security, improved efficiencies and lower costs, reduced coding errors and to align the US coding system with coding systems worldwide.